THE CONNECTION

Inside:

If you have questions or comments on any information contained in *The Connection*, please contact Angela Knight at (360) 664-7654 or angela.knight@ofm.wa.gov.

Are you an administering agency?
Are you watching cash balances?

Administering agencies are responsible for reviewing the cash balances of the funds they administer. This should be done at the fund level and on an on-going basis to ensure that cash is positive. An administrative agency is assigned to each fund. Consult SAAM 75.30.50 to see if your agency administers any funds.

Cash balances are available in the Office of the State Treasurer's Treasury Management System (TM$). Additionally, there are several new reports available in FASTRACK to help administering agencies manage this responsibility. Just look for the Administrative Agency folder under Financial Reports. The CSH01 report (new as of December 2005) is the best place to start.

For TM$ training and/or logon information, please contact Cristin Wilson at (360) 902-8938 / Cristin@tre.wa.gov, or Kristi Wolgamot at (360) 902-8935 / Kristi@tre.wa.gov.

For further information about the FASTRACK administrative agency reports or cash balance questions, please call your OFM Accounting Consultant.

TEMS Feasibility Study Complete

Last fall, the Travel & Expense Management System (TEMS) team analyzed and prioritized a set of requirements with the help of a dedicated and diligent user group.

The TEMS team then identified viable alternatives and conducted an assessment through vendor demonstrations and questions, cost analysis, matching requirements, and aligning with the state's enterprise direction.

Most recently, the team completed its feasibility study that resulted in two recommendations. The first is to build TEMS in-house with existing staff. Given the urgency of the TEMS drivers, by choosing this recommendation, we will be able to add functionality, address deployment issues, and provide accessibility for workers with disabilities.

Sadie Rodriguez-Hawkins

Together Again!

I am delighted to welcome the BASS team back to Point Plaza West in Tumwater. After being "kicked off the island" five years ago, the team moved to the IBM Building downtown. I'm glad to say they "survived" and we are all under one roof again in the Accounting Division and it feels great! The BASS team is now located on the first floor.

The BASS Help Line phone number remains the same, but all other phone numbers have changed as a result of the move.

BASS Phone Numbers:

BASS Help Line	**725-5278**
Doug Beam	664-7702
Sara Corbin	664-7737
Lori Ellis	664-7703
Mike Franklin	664-7772
Linda Groulx	664-7774
Dave Hill	664-7752
Chip Halsey	664-7729
Tom Heichelbech	664-7731
Christi Johnson	664-7733
John Lindberg	664-7749
Sharlene McGrath	664-7748
Mai-Loan Nguyen	664-7753
Art Overman	664-7754
Megan Pilon	664-7755
Vicki Rummig	664-7758
Dave Thorson	664-7785
Shaun Wilson	664-7765

SANKOFA

Life in public service has been pretty hectic lately for those of us engaged in the *Roadmap* project. There is an Akan (Ghanaian vernacular) word that expresses our experience rather aptly, it is – "**Sankofa.**" This word refers to, "Reaching back in order to move forward" and recognizes the importance of the past in relationship to the future.

The word, "**SANKOFA**" is derived from the words **SAN** (return), **KO** (go), **FA** (look, seek, and take). This symbolizes the Akan's quest for knowledge with the implication that the quest is based on critical examination, and intelligent and patient investigation.

The symbol emphasizes the importance of learning from the past and is based on a mythical bird that flies forwards with its head turned backwards. This reflects the Akan belief that the past serves as a guide for planning the future, or the wisdom in learning from the past in building the future. The Akan's believe that there must be movement with time but as the forward march proceeds, the gems must be picked from behind and carried forward on the march.[1]

This way of thinking is mirrored in the Roadmap Business Process Modeling. Like the Akan's, state employees have been deeply engaged in the quest for knowledge based on critical examination, and intelligent and patient investigation. Their efforts have focused on two important tasks. First they are documenting how we perform "back office" business processes today. Secondly, they are brainstorming on how these processes could be done in the future while also researching best practices in other organizations.

Knowing that we cannot continue to live in the past, they are taking time to understand the way Washington State does business today. They will pick the "gems" from the past and incorporate them into future process improvement. Their recommendations to date have provided us with bold ideas for change.

If you are interested in learning more about this amazing project, please refer to other *Roadmap* articles in this publication. In addition, a wealth of information is also available on our website at http://www.ofm.wa.gov/roadmap/default.htm.

(Footnotes)
[1] www.welltempered.net>sankofa

TALS Focuses on Allotment Management and Review

The second phase of The Allotment System (TALS) is underway. This phase supports the allotment development, management, review, reporting, and monitoring needs for state agencies, the Legislature, OFM, and the public. Current efforts are directed toward the design and development of the TALS Allotment Management and Review component.

Throughout this phase, system prototype screens will be available for review. These prototypes will represent a visual concept of the requirements and will serve as a model to communicate possible solutions for the final screens used in the system. These models will not be fully functioning system components, but rather a sample to allow demonstration and gather feedback for the new system.

Take a look!

In an effort to keep the user community informed about the project, we have developed a TALS web site located at http://www.ofm.wa.gov/accounting/tals/.

TALS Reporting Needs

This phase also involves identifying TALS user reporting requirements. These are currently being solicited from customers. In addition, existing reports are being evaluated and report elements defined; future analysis will determine which reports will be merged and what new reports will be developed.

As part of building a single system for the development and management of allotments, all users must be able to view common allotment and monitoring reports. At this time we are looking for feedback on:

- Effectiveness of existing reports.
- Enhancements or elements missing from existing reports.
- Additional views of data that would be useful.
- New reports needed.

For report feedback, requests for information, or questions, please contact Sara Corbin at (360) 664-7737 / sara.corbin@ofm.wa.gov.

TEMS Feasibility Study . . . .

The second is to migrate to the SAP Travel Module and run it under the HRMS SAP software installation. This would provide significant enterprise benefits. However, these benefits may not be available for several years and they will require upgrades to HRMS.

This recommendation will have to be reassessed as the *Roadmap* project evolves and the enterprise direction continues to take shape.

We will move forward with the first recommendation. This requires the TEMS team to develop a project framework and begin the detailed requirements and design.

For more information, please contact Glen Tapanila at (360) 664-7707 / glen.tapanila@ofm.wa.gov or Larry Johnson at (360) 664-7778 / larry.johnson@ofm.wa.gov.

Roadmap Advisory Committee Reviews Grant Management Recommendations

At the February 22 *Roadmap* Advisory Group meeting, members began review and approval of the business process modeling results. Their first endorsement was for the Grant Management Value Proposition report, developed by a focus group of 25 business experts representing nine agencies.

The focus group concluded that current processes present significant challenges for the state and its grant recipients, taking time and focus away from service delivery and managing the performance of the billions of dollars of grant and loan awards.

Several members of the focus group joined the Advisory Group in their discussion of the following recommendations, value proposition, and performance measures proposed in the report:

Proposed policy and process recommendations:

1. Adopt enterprise-wide standards for terminology, application forms, progress reports, and payment requests, to the extent possible given the requirements imposed by funders.

2. Establish enterprise-wide standards for identifying recipients and process for registering applicants. Require use of the enterprise identifier for payment transactions.

3. Facilitate use of electronic document management and e-signatures to securely transmit and authenticate grant documents.

4. Adopt a risk-based, business-rule driven approach to determine review and approval requirements for recipient progress reports and payment requests, and trigger inspections.

5. Standardize performance measures, possibly aligned with the Priorities of Government (POG) and Government Management Accountability and Performance (GMAP).

6. Collect actionable information to improve program service delivery.

7. Adopt federal grant management standards for forms, agreement terms and conditions, cost allocation, and cost categories statewide, as they become available through federal initiatives such as the National Grants Partnership.

Proposed system solutions:

1. Establish an enterprise electronic grant management system, integrated with state financial systems that would serve as a grant manager's "workbench." The workbench would help managers administer grant programs more efficiently and make better-informed decisions.

2. Create an enterprise recipient web-portal for convenient access to state grant and loan opportunities and easy communication with grant managers, submission of electronic forms, and cross-agency collaboration.

Value proposition:

Best practice research indicates that implementation of the recommended improvements will result in the following business value:

- ◆ Improved customer service.

- ◆ Faster, better, and cheaper grant management business processes for recipients and agencies.

- ◆ Improved program accountability.

- ◆ Better information for better decisions and results.

- ◆ Maximized returns on investment through strategic and proactive grant management.

Roadmap Advisory Committee Reviews Grant . . .

With the proper tools in place, Washington State grant management can expand from a cost-tracking and risk-avoidance activity into a key window of business information managed proactively to impact larger statewide service delivery performance initiatives. In addition, the state will avoid the costs of continuing investments in agency-unique grant management systems.

Performance measures:

The groups identified *three* key indicators to measure the results of implementing their vision for grant management:

1. Elapsed time from advertisement to award (by major program).
2. Subgrant dollars where the state can demonstrate:
    - Who benefited.
    - Where benefit occurred (e.g. jurisdiction, legislative district).
    - What benefit was achieved.
3. Percent of subgrant funds available for direct service delivery (by major program).

The focus group also recommended additional indicators to monitor and promote administrative efficiencies such as:
- Number of applications processed per full-time equivalent staff.
- Number of grants awarded per full-time equivalent staff.
- Percent of fully compliant applications received.
- Percent of compliant and timely progress reports.
- Dollar amount of questioned costs related to grant.

These results provided vision and direction for the Enterprise System for Grants, Contracts and Loans Management Feasibility Study detailed in the article below.

Enterprise System for Grants, Contracts and Loans Management

OFM is assessing the feasibility of a Washington State enterprise system to manage grants, contracts and loans. We are leading the effort, and joined by the Departments of Ecology and Community, Trade and Economic Development as the first customers of the proposed system.

The scope of the feasibility study for the proposed system is limited as follows:
- For Grants Management, the study will address the functions of applying for grants, evaluating and awarding grants, daily grants project management, payments, closures and reporting/queries.
- For Contract Management, the study will address the functions of documenting and establishing contracts, daily contracts management, payments, closures and reporting/queries.
- For Loans Management, the study will address the functions of accounts payable for loans. (It is expected that other systems will address the other functions of loans management.)

At the end of the feasibility study, we will have:
- Identified a set of alternatives that can meet requirements.
- Considered a recommendation for the best alternative.
- Worked with the *Roadmap* project team to consider recommendations and requirements from the Enterprise Business Modeling and the Integration Architecture activities. *Please see previous article*.
- Established a plan for implementing the best alternative.

The feasibility study will be complete by March 31, 2006.

Roadmap Focus Groups Model Procure-to-Pay

Eighty business experts from 16 agencies participated in focus groups to create 'could-be' visions for the state's vendor, procurement, contract, and accounts payable management business processes. Modeling current agency processes revealed many types of significant business challenges for the state and its vendors. For more details on these challenges, go to http://www.ofm.wa.gov/roadmap/modeling/procuretopay/...pdf.

The bottom line is that current complex, labor intensive and paper-based processes detract from the ability of procurement, contract and payable professionals to manage risks and deliver expected results.

Details on the bold changes proposed by the focus groups as a starting point for discussion can be found at http://www.ofm.wa.gov/roadmap/modeling/procuretopay/...pdf

Next, the focus groups from all four areas will meet together to create a consolidated procure-to-pay vision for Washington State. They will also identify the business value for change and how to measure achievement of results. On April 22, *Roadmap* Advisory Group members will be asked to weigh in on the recommendations.

The full Procure-to-Pay Value Proposition report will soon be available on the *Roadmap* web site. Please direct questions and comments on any of the *Roadmap* activities to Kathy Rosmond at (360) 664-7771 / kathy.rosmond@ofm.wa.gov.

Norm Johnson Retires

On February 28, 2006, after 39 years of state service, Norm Johnson crossed the finish line of his state career and the starting line of his retirement. During his state career, Norm worked for the Office of Community Development, the Department of Social and Health Services, and the Office of Financial Management (OFM).

Norm became known as the federal expert here at OFM. He worked on the Statewide Single Audit Report; collected the year-end federal disclosure information; worked with agencies to update their corrective action plans for federal findings; maintained SAAM Chapters 50, Federal Compliance, and 95, Federal Assistance Reporting; and taught classes on federal issues such as reporting, subrecipient monitoring, and suspension and debarment. Norm also served as the accounting consultant for Washington State University and the State Board for Community and Technical Colleges.

Norm will be missed and we wish him the best in his retirement.

Andrea Brown has assumed responsibility for federal-related assignments. She can be reached at (360) 664-7773 / andrea.brown@ofm.wa.gov.

Who's New In Accounting?

Derek Basham joined Statewide Financial Systems on March 16, 2006, as a Business Analyst on the *Roadmap* Project. Derek comes to OFM after 29 years with the Department of Transportation (DOT). While at DOT, Derek held financial related positions in Printing Services, Office of Information Technology, Transportation Equipment Fund, and the Accounting Services Office.

In his spare time, he is a musician and board member for the Olympia Chamber Orchestra, he also enjoys attending concerts, gardening, reading, swimming and traveling. Derek can be reached at (360) 664-7923 / derek.basham@ofm.wa.gov.

Mark Fenster joined Statewide Financial Systems and the QA/Testing team on March 16, 2006, as a Software Test Specialist. He is responsible for software quality for the Enterprise Reporting team. Mark previously worked for the DSHS Children's Administration Technology Services as a tester for over four years.

He and his wife live in Tumwater with their dogs, Willie and Brisco, and cats, Holly and Boomer. Mark enjoys kayaking, hiking, biking, vacationing, and going to Mariners games. Mark can be reached at (360) 664-7784 / mark.fenster@ofm.wa.gov.

Kathy Palladino joined Small Agency Client Services (SACS) on March 1, 2006, as a Fiscal Analyst I for payroll. Prior to joining SACS, she worked at the Department of Personnel for four years doing payroll and accounts payable. She is among the first people in the state to process a payroll in HRMS.

When she is not working, she keeps busy with her two daughters and son. She is the proverbial "soccer mom." In her little remaining free time, she enjoys traveling, reading, hiking and watching movies. You may reach Kathy at (360) 664-7713 / kathy.palladino@ofm.wa.gov.

Aleta Quimby joined Statewide Financial Systems on February 16, 2006, as a State Financial Consultant. She assists in providing technical and accounting expertise to agency personnel relative to the Agency Financial Reporting System (AFRS).

Aleta worked for Department of Social and Health Services (DSHS) for over ten years at the Office of Accounting Services, and most recently, at the Management Services Fiscal Office, where she was the Budget and Accounting Manager. While at DSHS, she participated on several projects such as the Financial Reporting Improvement Project (FRIP). Additionally, Aleta helped provide training to DSHS employees statewide for the FASTRACK reporting system along with the Travel Voucher System (TVS).

Aleta graduated from Evergreen State College where she earned her Bachelor's degree with the major emphasis in accounting and management. She has been married for 30 years and has two grown children. Aleta can be reached at (360) 664-7721 / aleta.quimby@ofm.wa.gov.

Year-End is Fast Approaching!

State Reporting - CAFR

Now is a good time to start preparation for closing Fiscal Year 2006. We encourage you to take advantage of the training classes we offer.

Classes

We offer three types of classes. You only need to take one, depending upon your level of involvement in closing the year.

Fiscal Year-End Theory Class – 4 Hours
Intended for new personnel who will not play an active role in the year-end process, but would like to learn more about it. The focus of this class is on fiscal year-end policies and procedures.

Fiscal Year-End Workshop – 7 Hours
Intended for personnel who will be directly involved in preparing year-end accounting entries and/or disclosure forms. The focus of this workshop is on preparing reconciliations, adjusting entries and actual "hands-on" computer time completing disclosure forms.

Fiscal Year-End Update Class – 2 Hours
Intended for personnel who have previously prepared year-end adjusting entries and completed disclosure forms. Discussions will include changes for Fiscal Year 2006, fiscal year-end closing dates, an overview of fiscal year-end transaction codes, and proper completion of disclosure forms.

For dates, locations and registration, please refer to the OFM Accounting Spring Training Catalog at http://www.ofm.wa.gov/accounting/training.asp.

Important Year-End Cut-Off Dates

Date	Activity
July 31	Phase I (Agency Accruals)
September 13	Phase II (Agency Adjustments)
September 21	State and Federal Disclosure Forms Due
October 11	Phase III (SAO Audit)

For additional information, please contact the Accounting Consultant assigned to your agency.

Federal Reporting

Now is also a good time to start preparation for Fiscal Year 2006 federal financial assistance reporting. We encourage you to take advantage of the training classes we offer.

Classes

OFM will offer a two-hour workshop on federal reporting changes. The workshop will also update users on the few system changes and any last minute changes prompted by the federal government's publication of the latest edition of the *Compliance Supplement.* Federal reporting workshops will be offered as follows:

Location	Date
Tumwater (Point Plaza West)	May 31 & June 9
Spokane (East WA Hist. Soc.)	May 23
Seattle (UW)	June 5

To register and/or obtain a description of the *Federal Financial Assistance Workshop*, please refer to the OFM Accounting Spring Training Catalog at http://www.ofm.wa.gov/accounting/training.asp.

Two additional items to note:

·   State agencies and institutions will again be required to utilize the electronic reporting module provided by OFM. Additional information will be provided.
·   The September 21st due date applies to all federal disclosure forms except the Agency Federal Assistance Certification. The Certification form will be due December 8, 2006.

Additional Resources

Federal assistance reporting policies/procedures and federal assistance disclosure reporting structure can be found in Chapter 95 of the *State Administrative and Accounting Manual (SAAM).*

If you have any questions regarding the workshop or federal assistance reporting policies/procedures, please contact Andrea Brown at (360) 664-7773 / andrea.brown@ofm.wa.gov.

Perspectives on Internal Controls: Monitoring

This is the fifth in a series of articles on the essential components of an internal control system as outlined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Previous articles have provided overview information as well as discussions on the control environment, risk assessments, and control activities. The subject of this article is monitoring.

Monitoring refers to management's responsibility to continuously assess the effectiveness of the internal control system to ensure that controls are operating as intended and are appropriately modified when conditions change.

Ongoing monitoring occurs during normal operations and includes regular management and supervisory activities, comparisons, reconciliations, and other action people take in performing their duties. It includes ensuring that management and supervisors know their responsibilities for internal control and the need to make control and control monitoring part of their regular operating processes.

Separate evaluations are a way to take a fresh look at internal control by focusing directly on the controls' effectiveness at a specific time. These evaluations may take the form of self-assessments as well as reviews of control design and direct testing.

Monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. Managers and evaluators should consider the appropriateness of the agency's internal control monitoring and the degree to which it helps them accomplish their objectives.

For more information on the subject of internal controls, please refer to the *State Administrative and Accounting Manual (SAAM)* Chapter 20 http://www.ofm.wa.gov/policy/20.htm and the Administrative and Accounting Resource site at http://www.ofm.wa.gov/policy/resource.htm, or contact Pat Sanborn at (360) 664-7680 or patricia.sanborn@ofm.wa.gov.